

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

CARLOS ALEXIS MARTINEZ GARCIA,

Plaintiff,

v.

MEGA AUTO OUTLET, *et al.*,

Defendants.

Case No. 1:20-cv-0945

Hon. Liam O’Grady

ORDER

This matter arises from a dispute over financial improprieties that occurred when Plaintiff exchanged his existing vehicle for credit toward another partially financed vehicle sold by Defendant Mega Auto Outlet. *See generally* Dkt. 1. Plaintiff alleges that the Defendant, a used-car dealer, forged purchasing documents and then unlawfully sold a falsified credit contract to a third-party assignee in connection with the Parties’ transaction. *See id.* at 1.

Plaintiff filed a complaint on August 21, 2020, asserting causes of action arising under the Federal Truth in Lending Act (TILA), 15 U.S.C. § 1640; the Equal Credit Opportunity Act (ECOA), 15 U.S.C. § 1691(e); the Virginia Consumer Protection Act (VCPA), Va. Code Ann. § 59.1-200; and for Virginia common law fraud. *See generally id.*

After Defendant failed to answer the complaint, Plaintiff requested and the Clerk entered default in early December 2020. Dkts. 7, 8. Thereafter, on January 29, 2021, Plaintiff filed a motion for default judgment and noticed a hearing before the Magistrate Judge on February 12, 2021. Dkts. 10, 11, 12. In an abundance of caution, the Magistrate Judge eschewed a hearing and instead issued an Order to “allow any interested party to file an objection [to the default judgment motion] by Monday, February 22, 2021 at 5:00 p.m. *See* Dkt. 13, at 1. No party filed

a timely objection with the Clerk's office, and the Magistrate Judge issued her Report and Recommendation on the default judgment on February 23, 2021. *See generally* Dkt. 14.

In the Report and Recommendation, the Magistrate Judge made the following findings:

- The Court has subject matter jurisdiction and personal jurisdiction over Defendant Mega Auto Outlet, and venue is proper. *See id.* at 2–4.
- Defendant was properly served on October 7, 2020. *Id.* at 4.
- The Clerk properly entered a default. *Id.* at 7.
- Plaintiff stated a valid claim under the Truth in Lending Act (“TILA”) (Count I). *Id.* at 8–9.
- Plaintiff stated a valid claim under the Equal Credit Opportunity Act (“ECOA”) (Count II). *Id.* at 9–11.
- Plaintiff stated a valid common law fraud claim against Defendant (Count III). *Id.* at 11–12.
- Plaintiff failed to state a cognizable claim under the Virginia Consumer Protection Act (VCPA) (Count IV). *Id.* at 12.
- Plaintiff is entitled to “the statutory maximum of \$2,000.00 in TILA statutory damages.” *Id.* at 13.
- Plaintiff is entitled to a combined total of \$99,817.12 in punitive damages for his causes of action based on the ECOA and Virginia common law fraud. *Id.* at 13–15.

Ultimately, the Magistrate Judge recommended

that the Court enter an order granting in part Plaintiff's Motion for Default Judgment as to Defendant Auto Mega Outlet (Dkt. 10) as to Counts I, II, and III of the Complaint, thereby entering default judgment in favor of Plaintiff and against Defendant on these Counts. Further, the undersigned recommends that the Court award Plaintiff (1) \$2,000.00 in statutory damages under the TILA; (2) \$99,817.12 in punitive damages; and (3) reasonable attorney's fees and costs. Finally, the undersigned recommends dismissing Plaintiff's VCPA (Count IV) of the Complaint.


Id. at 15.

The Magistrate Judge advised the Parties that, pursuant to 28 U.S.C. § 636 and Fed. R. Civ. P. 72(b), objections to the Report and Recommendation were due “within fourteen (14) days of” the date of the R&R's issuance, and that failure to object to the Report and Recommendation would “waive[] appellate review of any judgment based on it.” *Id.* at 16. No party filed a timely objection.

Concluding that “there is no clear error on the face of the record,” *Diamond v. Colonial Life & Accident Ins. Co.*, 416 F.3d 310, 315 (4th Cir. 2005), the Court **APPROVES** and **ADOPTS** the R&R (Dkt. 14) in full. Accordingly, Plaintiff’s motion for default judgment (Dkt. 10) is **GRANTED**. It is hereby **ORDERED** that the Clerk of the Court is to enter a judgment pursuant to Fed. R. Civ. P. 55(a) in favor of Plaintiff Carlos Alexis Martinez Garcia and against Defendant Mega Auto Outlet in the total amount of \$101,817.12. Plaintiff may also hereafter motion for an award of reasonable attorney’s fees and costs.

It is **SO ORDERED**.

March 16, 2021
Alexandria, Virginia



Liam O’Grady
United States District Judge